



The Entrepreneur's Journey: Failure and Resilience

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Who We Are



The University of Alaska Center for Economic Development is a university based partnership promoting economic diversity through entrepreneurship, community building, and action oriented strategy. We specialize in entrepreneurship development and applied economic development research.



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Problem Statement



Instances of failure act as inflection points for entrepreneurs.

- Entrepreneurs who equate self worth to their entrepreneurial endeavours struggle coping with failure.
- Entrepreneurs who view failure as a learning opportunity are more likely to recover quicker and be more resilient.

The way in which entrepreneurs deal with failure can impact their likelihood of pursuing further ventures and have local economic impacts. Building resilience and community for entrepreneurs and destigmatizing failure plays an important role in local economic strength.

Related Literature

- *Visetin et al* - Finds that work-related stress for business owners can contribute to the risk of developing anxiety, depression, and other mental health issues.
- *Cardon et al* - Finds that cultural perception of failure in a community has an impact on the stigmatization of the entrepreneur following a failure event.
- *Cacciotti et al* - Notes that fear of failure is built on the fear of social consequences and can impact many actions and decisions taken during the entrepreneurial process, working both as an inhibitor and a motivator.
- *McInnis-Bowers et al* - Explores the causal relationship between resilience and entrepreneurship. Does entrepreneurship create resilience or are individuals who are already predisposed to resilience more natural entrepreneurs?
- *Zhang et al* - Finds a negative relationship between failure points and an entrepreneur's wellbeing, with overall wellbeing decreasing with each instance of failure.

Approach



- Interviews with 13 Alaskan entrepreneurs who had experienced failure points during their career.
- From those interviews developed detailed case studies of those Alaskan entrepreneurs and their experiences with failure and resilience.

Results



- Individual stories of failure were each unique; however, feelings of social isolation, fear, and grief were common throughout every entrepreneur.
- Entrepreneurs are at high risk for mental health challenges. Individuals interviewed sighted isolation, loneliness, and depression when faced with potential or real business failure.
- Entrepreneurs' identities are often defined by their business, making them prone to identifying themselves as failures when facing challenges, leading to emotional health impacts.
- Entrepreneurs who perceive failure as an opportunity to learn are more resilient; this is a mindset that can be learned.

Conclusions and Implications



- Our most important takeaway: the need for community.
 - Each of the entrepreneurs interviewed for this brief cited the support system of friends, family, and colleagues as the single biggest factor that helped them process and overcome their feelings of failure.
- With the high rates of mental health challenges in northern communities and among entrepreneurs, Arctic entrepreneurs are at an especially high risk while being critical to local economies.
 - Understanding the challenges faced by our entrepreneurs helps build stronger communities and resilient local economies.

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Thank you!

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